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whose extravagance in comparison with his means had caused the economic decline, a statement to which one provincial board pertinently remarked that the ones whose economic irresponsibility had caused the evil were the bankrupt nobles and the clergy to whom the tradesmen could not *ex metu reverentiae* (!) deny credit. For a government whose eloquent motto was *maneant usus et tollatur abusus*, this seemed rather a severe rebuff. But the petty tyranny and lilliputian character of a government which affected to rule an empire and yet could not exact obedience within its own immediate surroundings, is manifest in all its dealings. The blows that certain emperors from the height of their authority directed against this fabric of prejudice and class privilege seemed but isolated efforts. One can easily imagine that nothing but the effects of the Napoleonic wars could eradicate some of the evils.

The pamphlet rightly bears the name "study." While its pages may not attract the general reader, we think its detailed account will be of much interest to the specialist.

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Business Education and Accountancy. By CHARLES WALDO HASKINS. Edited by FREDERICK A. CLEVELAND. New York: Harper & Brothers, 1904. 8vo, pp. xvii + 239.

FOUR of the chapters in this book are occasional addresses which were delivered by Mr. Haskins in 1900 and 1901. Two chapters are on the history of accountancy and were written by him as the beginning of a treatise on that subject. Two others are somewhat carefully prepared essays, the immediate purpose of which is not stated. The editor contributes the introduction, and presumably also the biographical sketch of Mr. Haskins.

Here we have the story and some of the work of a pioneer—one who blazes the way for future generations to follow. At the time of his death he was still pushing eagerly forward. The literary remains here published are only fragments, and, as the editor confesses, "must necessarily lack somewhat in continuity." But having been thrown off in a work which was so recent, so new, and so full of possibilities, they make it easier for others to take up that work and carry it on. The portrait which serves as a frontispiece shows a commanding personality—a man whom we can conceive of as

accomplishing the work recounted in the biographical sketch; and when that personality is put back of some of the obscure or wordy passages in the addresses, the rhetorical defects are forgotten.

Descended from five generations of ancestors prominent in the mercantile activity of New York and Boston, taking up in early life the work of accounting and having in it an experience of extraordinary breadth, he strove to raise his occupation to the rank of a profession by raising its standard to meet the demands of the times. As is said in the biographical sketch:

No longer could the manager of enterprise come in direct contact with every detail of the business—for his information he must rely on his books and records of financial results. Mr. Haskins was inspired with the idea of reducing financial records to a scientific basis of classification. . . . The old systems of bookkeeping has plainly failed to meet the demands of modern enterprise.

It was only during the last ten years of his life and more especially during the last four years, that he reached out into this larger work. His achievements during this decade are briefly summed up as follows: In 1894-95 he and Mr. Sells revised the accounting system of the United States government; then these two gentlemen as partners entered upon private practice as professional accountants, and developed a business which required 140 subordinates; the firm installed a new system of accounting for the city of Chicago; Mr. Haskins promoted legislation requiring state examinations for the title of certified public accountant (C.P.A.), and was the first president of the board of examiners in the state of New York; he was the dean of the School of Accounting and Business Methods established by the University of New York; and finally, by his presence at numerous gatherings interested in business education and his gratuitous work for such organizations as the National Municipal League, he contributed powerfully to develop his own ideals in the minds of the general public.

This higher accountancy, the thing which he stood for, is thus defined by him:

It is the science of keeping track of wealth, of determining the financial condition of affairs, and whether, where, and how, there is a diminution of wealth (a loss) or an increase in the form of profit. As a science it underlies all the art and all the expedients of expressing the details of income and outgo, and is in every way correlative with the twin sciences, business administration and finance. It is not, in any sense, a part of these other sciences, as is evident in the increasing dependence of the acutest administrators and finan-

ciers upon professional accountancy for the diagnosis of their affairs and for consultative advice as to the prevention of leakage and the increase of volume. The work of the accountant is to audit the work of the bookkeeper, to devise systems which will give to the financier or business manager a proper diagnosis of conditions at any time that he may call for it, and to install and supervise more perfect systems of records. (P. 112.)

Here, it was at once recognized, is something far broader than mere bookkeeping—copying and adding figures correctly. It is something which requires special training, coupled with natural insight and breadth of view. It is an old commonplace that there is little possibility of growth for the bookkeeper; but for work here described the accumulated experience of a lifetime with men and business affairs would be necessary for the highest degree of efficiency. Furthermore, a strong moral sense is essential; and this is something to which due emphasis has not been given, in the volume before us or elsewhere. The professional accountant, like the investigator in science, is expected to discover and bring to light the really vital truths. The managers, the stockholders, the legislators, and the great public must all accept his findings; he should have not only the insight to see the truth, with the analytic power to disentangle it, but also the courage to express it. The suspicion that he lacks any of these qualities will strike our twentieth-century industry like a blight.

Mr. Haskins is not quite clear in his reference to the “twin sciences.” He gives elsewhere his definition of finance:

The financial interest, therefore, runs through every department and activity of business, from capitalization to final distribution in the form of dividends. Instruction in finance should first be sought by one desiring special training for business management. . . . He should know the various forms of funds available and the advantages of each, understand instruments of transfer of credit funds, how funds are obtained, and the instruments and institutions employed. He should understand methods of capitalization and the relative advantages of each method from the point of view of his own business purpose; he should know the financial arrangements to be made for equipment, keeping in mind the length of time involved in acquiring physical equipment and the capital charges incident thereto; he should appreciate the financial relations of operation, looking toward profits. (Pp. 44, 45.)

Here he is evidently thinking only of a study which should be part of the academic training for business. We academic people can understand him best by thinking of private or corporation finance as contrasted with public finance.

But it is less clear that there is now or ever can be any science of

business management. A few pages farther on in the same essay he speaks of this more fully :

Pedagogy enters this field seriously handicapped with a weight of prejudice which must be shaken off, with a density of inexperience which practice alone can relieve, with a deplorable want of scientific knowledge which only hard study can supply. For long ages our men of commerce and industry have been left to battle their way to success with little more than a guerrilla knowledge of the warfare of life, and now that modern conditions imperatively demand a new education, we are confronted with a somewhat humorously serious situation of an active set of men who know but cannot teach, and a philosophical class who could teach but do not know. The teacher therefore must . . . gather up the wisdom of the world from many thousands of contemporaneous modest men of action; he must formulate, under the constant check of these men of concrete information, a "science of administration," and he must instil the principles of this science into the very life of the future *entrepreneur*. (P. 5.)

The teachers must admit that this severe arraignment is true for the most part; but for the last generation they have realized the anomaly and have been trying to remedy it. The rise of the new schools of commerce during the last six years and the attitude of practical men like Mr. Haskins show that the two classes which have hitherto worked apart are drawing together. But to formulate a "science of business administration" is a large undertaking. For a third of a century the psychologists, the teachers of pedagogy, and the practical educators have been working together to formulate a science of education; good results have come, but education is still far from being a science; some assert that it can never become a science, that it is only an art to be learned by actual practice. However, earlier in the same chapter Mr. Haskins gives a good statement of what the schools should undertake :

But let it be remembered that no school, no theory, can take the student into the innermost heart of affairs. . . . In so far as knowledge of the facts and relations or the institutions and agencies of business can be reduced to scientific order and conclusion, general business instruction comes to be of the highest value, both for its disciplinary use and for its subject-matter. Absolute contact, however, with real business is indispensable. (P. 37.)

This book will be very useful just now in the hands of those who have to do with shaping the new business education.

F. R. CLOW.